



FEDERAL TRADE COMMISSION
PROTECTING AMERICA'S CONSUMERS

GOVERNMENT
EXHIBIT

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For Release

FTC Sues Marketer of Personal Protective Equipment and Light Fixtures for Lying About Products Being Made in the USA and Government-Certified

Agency Brings Enforcement Actions Under the COVID-19 Consumer Protection Act and the Made in USA Rule

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Tags: [Consumer Protection](#) | [Bureau of Consumer Protection](#) | [deceptive/misleading conduct](#) | [Manufacturing](#) | [Consumer Goods \(Non Food & Beverage\)](#) | [Advertising and Marketing](#) | [Made in USA](#)

The Federal Trade Commission has [referred a complaint](#) to the Department of Justice alleging Adam J. Harmon and two companies he controls falsely told consumers that personal protective equipment they marketed during the pandemic, as well as light fixtures they sold, were made in the United States. The FTC charged Harmon and his two companies, Axis LED Group, LLC and ALG-Health LLC, with violating the COVID-19 Consumer Protection Act, the Made in USA Labeling Rule and the FTC Act. The agency's proposed order would stop them from making deceptive claims that products were Made in USA – or, that because they were Made in USA, they provided superior protection from COVID-19. The order also would require them to pay a civil penalty for their past deceptive claims.

"ALG and its CEO slapped the Made in USA label on masks that were made overseas, and now they're paying the price," said Sam Levine, Director of the FTC's Bureau of Consumer Protection. "As Americans struggle to obtain safe, authentic personal protective equipment, the Commission will use every tool we have to root out false claims and phony labels."

With the onset of the COVID-19 pandemic in early 2020, Harmon began operating under the name ALG-Health LLC, and selling personal protective equipment such as masks, gowns, and gloves. According to the complaint, Harmon and ALG made numerous false and misleading claims that their PPE products were all or virtually all made in the United States, even though the products were wholly imported, or incorporated significant imported materials or subcomponents. These claims and other false statements – including that the defendants' products were U.S.-origin respirators, certified by the National Institute for Occupational Safety and Health (NIOSH) – violated the COVID-19 Consumer Protection Act. the complaint alleges. Specifically, the defendants harmed consumers by:

- **Deceiving consumers about the country of origin of their products.** Through social media posts, marketing materials, and labels, the defendants claimed that their lighting and COVID-19 personal protective products were manufactured in the United States. In fact, the defendants' products were almost entirely imported. The defendants' conduct violated the FTC Act, the Covid-19 Consumer Protection Act, and the Made in the USA Labeling Rule.
- **Deceiving consumers about the efficacy of their COVID-19 PPE products.** The defendants claimed to consumers that their PPE products were superior due their country of origin. These false claims deceived consumers and undermined honest competitors.

Enforcement Action

The [proposed order settling the FTC's complaint](#) against Harmon, Axis LED Group, LLC, and ALG-Health LLC prohibits the conduct alleged in the complaint. Harmon and his companies must:

- **Stop making deceptive U.S.-origin labeling and advertising claims.** Harmon and his companies are prohibited from claiming that products are made in the United States unless they can (1) show that the product's final assembly or processing – and all significant processing – takes place in the United States, and that all or virtually all ingredients or components of the product are made and sourced in the United States, or (2) clearly and prominently qualify origin claims to disclose imported content or processing.
- **Provide substantiation.** The defendants must substantiate all Made in USA and COVID-19-related claims, and refrain from making misleading claims for any products or services they provide.
- **Pay civil penalties.** The defendants must pay a \$157,683.37 civil penalty, which is due immediately. The defendants are also subject to a \$2.8 million redress judgment, which is suspended due to their inability to pay. Should the FTC discover that the defendants have misstated the value of any assets or failed to disclose them, the agency will seek to have the suspension lifted and the full judgment due immediately.

Protecting consumers and honest businesses from deceptive Made in USA claims is a key priority for the Federal Trade Commission. Over the last year, the agency has brought three other cases in this area, Resident Home, Lions Not Sheep, and Lithionics Battery, LLC. Last August, the Commission voted to finalize the Made in USA Labeling Rule, which enables the Commission to seek civil penalties from companies that make false claims. This is the Commission's [second action this year](#) to enforce the rule.

The FTC's [Enforcement Policy Statement on U.S. Origin Claims](#) provides further guidance on making non-deceptive "Made in USA" claims.

The Commission is also taking aggressive action to combat COVID fraud. The agency has brought more than a dozen cases against COVID-19 predators under the COVID-19 Consumer Protection Act.

The Commission vote to authorize the staff to refer the complaint to the DOJ and to approve the proposed consent decree was 5-0. Commissioners [Noah Joshua Phillips](#) and [Christine S. Wilson](#) issued [a joint concurring statement](#). The DOJ filed the complaint and proposed consent decree on behalf of the Commission in U.S. District Court for the Northern District of Ohio.

NOTE: The Commission authorizes the filing of a complaint when it has “reason to believe” that the named defendants are violating or are about to violate the law and it appears to the Commission that a proceeding is in the public interest. Consent decrees have the force of law when approved and signed by the District Court judge.

The Federal Trade Commission works to promote competition and [protect and educate consumers](#). Learn more about consumer topics at [consumer.ftc.gov](#), or report fraud, scams, and bad business practices at [ReportFraud.ftc.gov](#). Follow the [FTC on social media](#), read [consumer alerts](#) and the [business blog](#), and [sign up to get the latest FTC news and alerts](#).

Contact Information

Media Contact

[Betsy Lordan](#)

Office of Public Affairs

[202-326-3707](#)

Staff Contact

Julia Solomon Ensor

Bureau of Consumer Protection

[202-326-2377](#)